



TRILLIUM TN, INC WANTS TO WISH YOU A HAPPY AND PROSPEROUS NEW YEAR!

CLIENT TAX ORGANIZERS

Due to the rising cost of paper, ink, postage, etc., we are sending out postcards this year telling our clients how to obtain an organizer. In the past, we have found numerous packets that have not been opened and since most of you have email addresses, we are offering that you may download the worksheet from our website: www.Trilliumtn.net. If you prefer a paper copy be mailed to you, please call 865-428-2824, or drop by our office and one will be provided for you.

APPOINTMENTS

We appreciate each and every one of our clients. We want to encourage you to call promptly to make an appointment or to drop off your information as soon as you have accumulated all the necessary information. Beginning this year, appointments and returns left after April 1st will be charged an inconvenience fee. Our staff work hard to prepare your return as accurately and promptly as possible. We appreciate your cooperation in helping us to meet the deadlines.

WHAT DO I NEED TO BRING?

When gathering information for your return, please refer to our client organizer for a complete list of information.

ADDITION TO YOUR HOUSEHOLD

If you had an addition to your household in 2024 (child, parent, or other) please make sure to include their name, birth date, and social security number. They cannot be added without that information.

CHANGE OF ADDRESS/ BANK INFORMATION

Please make sure you provide us with a change of address or new bank account information. If there is a refund, an incorrect address or bank account information may delay your refund up to three months.

EXTENSIONS

Remember that an extension of time may be obtained to file your return. The extension of time to file the return does not extend the time to pay the tax. This applies to federal and also state returns if applicable. So, if you need an extension, please be prepared to send in an amount of money estimated to cover the tax.

FOR THE FUTURE

There are provisions in the *Tax Cuts and Jobs Act of 2017* (TCJA) set to expire in 2025. It is unknown at this time whether they will be extended or let expire. See <https://trilliumcpas.net/exp-provisions/> for the provisions that apply to 2025.

TAX BRACKETS

Tax rates are unchanged although the tax brackets for individuals are much wider for 2024.

CAPITAL GAINS AND QUALIFYING DIVIDENDS

The 0% tax rate applies at taxable incomes up to \$94,050 for joint filers, \$63,000 for heads of household and \$47,025 for single filers. The 20% tax rate starts at \$583,751 for Joint filers, \$551,351 for heads of Household and \$518,901 for single filers. The 15% tax rate is for filers with taxable incomes between the 0% and 20% brackets.

KIDDIE TAX

The first \$1,300 of unearned income of a child under age 19 (under age 24 if a full-time student) is tax -free. The next \$1,300 is taxed at the child's rate. Any excess is taxed at the parent's rate.

ITEMIZED DEDUCTIONS

For most filers, taking the higher standard deduction is more practical and saves the hassle of keeping track of receipts. But if you have enough tax-deductible expenses, you might benefit from itemizing.

IRA DISTRIBUTIONS/CONTRIBUTIONS

If you are 73 or older, make sure you have taken your “required minimum distribution (RMD)” from your retirement accounts before the end of the year or else you face a 25% penalty on any undistributed funds. For contributions into your account, review your earnings for the year and take advantage of any deductions that can lower your tax bill. All contributions must be made by April 15, 2025.

IMPORTANT – BOIR

The Federal Government has started a new initiative stating that partnerships and corporations need to complete a Beneficial Ownership Information Report online with the federal government. A link to their site is <https://boiefiling.fincen.gov/fileboir> Those working in the accounting field have also been advised, that any questions as to who legally needs to file, needs to be addressed to an attorney. The deadline for existing partnerships and corporations is January 13, 2025. If you have not completed this, I would strongly urge you to go online and make sure you have filed this form before the deadline. Penalties will apply for non-compliance.

Any corporation or partnership that originates in 2025 has 30 days after setup to file the required information with the government. This also applied to any changes that apply to these entities (change of owners, name, addresses, etc.).

UPLOADING INFORMATION

If you wish to send information to us over the internet, please contact us for a secure upload portal. We will not be responsible for information that is sent without approval.

IMPORTANT FILING DATES

Due dates for tax returns

Individual (1040)	March 17th
Partnership (1065)	March 17th
Corporation (1120-S)	March 17th
Corporation (1120) Calendar year filers	April 15th
Franchise excise returns for TN	April 15th
Gift (709)	April 15th
Trust (1041)	April 15th
Business tax	April 15th

Those affected by Helene have until May 1, 2025

2024-2025 Important Tax Figures

	<u>2024</u>	<u>2025</u>
Maximum wages subject to social security tax	\$ 168,600.00	\$ 176,100.00
Tax rate for social security - employer	6.20%	6.20%
Tax rate for social security - Employee	6.20%	6.20%
Maximum social security withholdings	\$ 10,453.00	\$ 10,918.20
Tax rate for Medicare (up to \$200,000)	1.45%	1.45%
Additional Tax rate for Medicare (over \$200,000 individual or \$250.00 married filing joint) ((\$125,000 married filing separately) (to include investment income)	0.90%	0.90%
Self employed and Medicare tax rate	15.30%	15.30%
Maximum yearly earnings for social security for recipients before benefits are reduced: Under 66	\$ 22,320.00	\$ 23,400.00
Federal employment tax rate	0.60%	0.60%
Wage base on which employer must pay federal and Tennessee unemployment tax	\$ 7,000.00	\$ 7,000.00
Standard mileage rate for charitable use - cents per mile (01/01-12/31)	\$ 0.14	\$ 0.14
Mileage rate - cents per mile (1/1 to 6/30) Early .625 from 07/1 to 12/31/24)	\$ 0.670	\$ TBD
Standard mileage rate for medical use - cents per mile (01/01-12/31)	\$ 0.21	\$ 0.21
Per diem meal and incidentals - truckers 10/1/20-09/30/24	\$ 69.00	
Per diem meal and incidentals - truckers 10/1/24-09/30/25		\$ 80.00
Per diem meal and incidentals - others 10/1/20-09/30/24	\$ 59.00	
Per diem meal and incidentals - others 10/1/240-09/30/25		\$ 68.00
Earned income credit - Maximum 1 child	\$ 4,213.00	\$ 4,328.00
- Maximum 2 children	\$ 6,960.00	\$ 7,152.00
-3 or more children	\$ 7,830.00	\$ 8,046.00
Childless worker age 25-64	\$ 632.00	\$ 649.00
Federal minimum wage	\$ 7.25	\$ 7.25
Section 179 deduction (permanent)	\$ 1,220,000.00	\$ 1,250,000.00
Standard deduction: Single	\$ 14,600.00	\$ 15,000.00
Married	\$ 29,200.00	\$ 30,000.00
Head of Household	\$ 21,900.00	\$ 22,500.00
Married Filing Separately	\$ 14,600.00	\$ 15,000.00
Additional deduction for Elderly and Blind: Single	\$ 1,950.00	\$ 2,000.00
Married	\$ 1,550.00	\$ 1,600.00
Child tax credit	\$ 2,000.00	\$ 2,000.00
Credit for other dependent	\$ 500.00	\$
Estate Exemption - Federal	\$ 13,610,000.00	\$ 13,990,000.00
Annual Gift Tax Exemption	\$ 18,000.00	\$ 19,000.00
Allowable retirement contributions - IRA	\$ 7,000.00	\$ 7,000.00
Additional Contribution if 50 or older (each)	\$ 1,000.00	\$
Allowable retirement contributions - Simple IRA	\$ 16,000.00	\$ 16,500.00
Additional contribution if 50 to 59 (each)	\$ 3,500.00	\$ 3,500.00
Additional contribution if 60 to 63 (each)	\$	\$ 5,250.00

2024-2025 Important Tax Figures

Allowable retirement contributions - 401k	\$	23,000.00	\$	23,500.00
Additional contributions if 50 or older (each)	\$	7,500.00	\$	7,500.00
Dependent care expense limit per child:				
1 child	\$	3,000.00	\$	3,000.00
2 or more	\$	6,000.00	\$	6,000.00
Maximum Long-Term:				
Single, Taxable income above \$47,025 and below \$518,900		15%		
Single, Taxable income above \$48,351 and below \$533,400				15%
Married, Taxable income above \$94,050 and below \$583,750		15%		
Married, Taxable income above \$96,701 and below \$600,050				15%
Single, Taxable income above \$518,900.		20%		
Single, Taxable income above \$533,400				20%
Married, Taxable income above \$583,750		20%		
Married, Taxable income above \$600,050				20%
Maximum Lifetime learning Credit	\$	2,000.00	\$	2,000.00
Maximum Annual American Opportunity Credit	\$	2,500.00	\$	2,500.00
Maximum Coverdell Education Savings Accounts	\$	2,000.00	\$	2,000.00
Maximum Student Loan Interest Deduction	\$	2,500.00	\$	2,500.00
Net Investment Income Tax - modified adjusted income over - Singles \$200,000/married filing joint \$250,000/married filing separate \$125,000/head of household \$200,000		3.80%		3.80%
Foreign Income Exclusion	\$	126,500.00	\$	130,000.00